

Senate Study Bill 1228

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON CONNOLLY)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act concerning gambling games on gambling structures.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
3 TLSB 1955XC 82
4 ec/gg/14

PAG LIN

1 1 Section 1. Section 97A.3, subsection 1, Code 2007, is
1 2 amended to read as follows:
1 3 1. All peace officer members of the division of state
1 4 patrol and the division of criminal investigation or the
1 5 predecessor divisions or subunits in the department of public
1 6 safety, excepting the members of the clerical force, who are
1 7 employed by the state of Iowa on July 4, 1949, and all persons
1 8 thereafter employed as members of such divisions or the
1 9 predecessor divisions or subunits in the department of public
1 10 safety or division of narcotics enforcement or division of
1 11 state fire marshal or the predecessor divisions or subunits,
1 12 except the members of the clerical force, shall be members of
1 13 this system, except as otherwise provided in subsection 3.
1 14 Effective July 1, 1994, gaming enforcement officers employed
1 15 by the division of criminal investigation for excursion boat
1 16 and gambling structure gambling enforcement activities and
1 17 fire prevention inspector peace officers employed by the
1 18 department of public safety shall be members of this system,
1 19 except as otherwise provided in subsection 3 or section
1 20 97B.42B. Such members shall not be required to make
1 21 contributions under any other pension or retirement system of
1 22 the state of Iowa, anything to the contrary notwithstanding.
1 23 Sec. 2. Section 97B.42B, subsection 1, paragraph a, Code
1 24 2007, is amended to read as follows:
1 25 a. Gaming enforcement officers employed by the division of
1 26 criminal investigation for excursion boat and gambling
1 27 structure gambling enforcement activities.
1 28 Sec. 3. Section 99B.6, subsection 8, Code 2007, is amended
1 29 to read as follows:
1 30 8. Gambling games authorized under chapter 99F may be
1 31 conducted on an excursion gambling boat or gambling structure
1 32 which is licensed as an establishment that serves or sells
1 33 alcoholic beverages, wine, or beer as defined in section 123.3
1 34 if the gambling games are conducted pursuant to chapter 99F
1 35 and rules adopted under chapter 99F. Notwithstanding section
2 1 123.3, subsection 26, paragraph "b", a person holding a
2 2 federal gambling permit and licensed to conduct gambling games
2 3 pursuant to chapter 99F may hold a liquor license.
2 4 Sec. 4. Section 99D.5, subsection 5, paragraph c, Code
2 5 2007, is amended to read as follows:
2 6 c. Place a wager on an entry in a race or on a gambling
2 7 game operated on an excursion gambling boat or gambling
2 8 structure.
2 9 Sec. 5. Section 99F.1, Code 2007, is amended by adding the
2 10 following new subsection:
2 11 NEW SUBSECTION. 11A. "Gambling structure" means any
2 12 man-made stationary structure approved by the commission that
2 13 does not include a racetrack enclosure which is subject to
2 14 land-based building codes rather than maritime or Iowa
2 15 department of natural resources inspection laws and
2 16 regulations on which lawful gambling is authorized and
2 17 licensed as provided in this chapter.
2 18 Sec. 6. Section 99F.1, subsection 12, Code 2007, is
2 19 amended to read as follows:

2 20 12. "Gaming floor" means that portion of an excursion
2 21 gambling boat, gambling structure, or racetrack enclosure in
2 22 which gambling games are conducted as designated by the
2 23 commission.

2 24 Sec. 7. Section 99F.3, Code 2007, is amended to read as
2 25 follows:

2 26 99F.3 ~~EXCURSION BOAT~~ GAMBLING GAMES AUTHORIZED.

2 27 The system of wagering on a gambling game as provided by
2 28 this chapter is legal, when conducted on an excursion gambling
2 29 boat, gambling structure, or racetrack enclosure at authorized
2 30 locations by a licensee as provided in this chapter.

2 31 Sec. 8. Section 99F.4, Code 2007, is amended by adding the
2 32 following new subsection:

2 33 NEW SUBSECTION. 25. To license the licensee of a gambling
2 34 structure subject to the provisions of this chapter and rules
2 35 adopted pursuant to this chapter relating to gambling and as
3 1 provided in section 99F.4D.

3 2 Sec. 9. NEW SECTION. 99F.4D GAMBLING GAMES AT GAMBLING
3 3 STRUCTURES == REQUIREMENTS.

3 4 Unless otherwise provided by this chapter, the provisions
3 5 of this chapter applicable to an excursion gambling boat shall
3 6 also apply to a gambling structure.

3 7 Sec. 10. Section 99F.5, Code 2007, is amended to read as
3 8 follows:

3 9 99F.5 LICENSE TO CONDUCT GAMBLING GAMES ON EXCURSION
3 10 GAMBLING BOAT == LICENSE TO OPERATE BOAT == APPLICATIONS ==
3 11 OPERATING AGREEMENTS == FEE.

3 12 1. A qualified sponsoring organization may apply to the
3 13 commission for a license to conduct gambling games on an
3 14 excursion gambling boat or gambling structure as provided in
3 15 this chapter. A person may apply to the commission for a
3 16 license to operate an excursion gambling boat. An operating
3 17 agreement entered into on or after May 6, 2004, between a
3 18 qualified sponsoring organization and an operator of an
3 19 excursion gambling boat or gambling structure shall provide
3 20 for a minimum distribution by the qualified sponsoring
3 21 organization for educational, civic, public, charitable,
3 22 patriotic, or religious uses as defined in section 99B.7,
3 23 subsection 3, paragraph "b", that averages at least three
3 24 percent of the adjusted gross receipts for each license year.
3 25 The application shall be filed with the administrator of the
3 26 commission at least ninety days before the first day of the
3 27 next excursion season as determined by the commission, shall
3 28 identify the excursion gambling boat upon which gambling games
3 29 will be authorized, shall specify the exact location where the
3 30 excursion gambling boat will be docked, and shall be in a form
3 31 and contain information as the commission prescribes. The
3 32 minimum ~~passenger~~ capacity of an excursion gambling boat or
3 33 gambling structure is two hundred fifty persons.

3 34 2. The annual license fee to operate an excursion gambling
3 35 boat shall be based on the passenger-carrying capacity
4 1 including crew, for which the excursion gambling boat is
4 2 registered. For a gambling structure, the annual license fee
4 3 shall be based on the capacity of the gambling structure. The
4 4 annual fee shall be five dollars per person capacity.

4 5 Sec. 11. Section 99F.7, subsection 1, Code 2007, is
4 6 amended to read as follows:

4 7 1. If the commission is satisfied that this chapter and
4 8 its rules adopted under this chapter applicable to licensees
4 9 have been or will be complied with, the commission shall issue
4 10 a license for a period of not more than three years to an
4 11 applicant to own a gambling game operation, to an applicant to
4 12 operate a gambling structure, and to an applicant to operate
4 13 an excursion gambling boat. The commission shall decide which
4 14 of the gambling games authorized under this chapter the
4 15 commission will permit. The commission shall decide the
4 16 number, location, and type of gambling structures and
4 17 excursion gambling boats licensed under this chapter for. The
4 18 commission shall allow the operation of an excursion boat or
4 19 moored barge on or within one thousand feet of the high water
4 20 marks of the rivers, lakes, and reservoirs of this state. ~~An~~
4 21 ~~excursion gambling boat may be located or operated on a~~
4 22 ~~natural or man-made lake or reservoir if the lake or reservoir~~
4 23 ~~is of sufficient size to accommodate recreational activity.~~
4 24 ~~An excursion gambling boat may also be located on a man-made~~
4 25 ~~basin or other body of water adjacent to a river, provided it~~
4 26 ~~is located no more than one thousand feet from the high water~~
4 27 ~~mark of the river, as established by the commission in~~
4 28 ~~consultation with the United States army corps of engineers,~~
4 29 ~~the department of natural resources, or other appropriate~~
4 30 ~~regulatory agency. The license shall set forth, as~~

4 31 applicable, the name of the licensee, the type of license
4 32 granted, the location of the gambling structure or the place
4 33 where the excursion gambling boats will operate and dock, and
4 34 the time and number of days during the excursion season and
4 35 the off season when gambling may be conducted by the licensee.

5 1 Sec. 12. Section 99F.7, subsection 2, Code 2007, is
5 2 amended by adding the following new paragraph:

5 3 NEW PARAGRAPH. c. A person awarded a new license to
5 4 conduct gambling games on an excursion gambling boat or
5 5 gambling structure in the same county as another licensed
5 6 excursion gambling boat or gambling structure shall only be
5 7 licensed to operate an excursion gambling boat or gambling
5 8 structure that is located at a similarly situated site and
5 9 operated as a substantially similar facility as any other
5 10 excursion gambling boat or gambling structure in the county.

5 11 Sec. 13. Section 99F.9, subsections 3 and 5, Code 2007,
5 12 are amended to read as follows:

5 13 3. The licensee may receive wagers only from a person
5 14 present on a licensed excursion gambling boat, licensed
5 15 gambling structure, or in a licensed racetrack enclosure.

5 16 5. A person under the age of twenty-one years shall not
5 17 make or attempt to make a wager on an excursion gambling boat,
5 18 gambling structure, or in a racetrack enclosure and shall not
5 19 be allowed on the gaming floor of an excursion gambling boat
5 20 or gambling structure or in the wagering area, as defined in
5 21 section 99D.2, or on the gaming floor of a racetrack
5 22 enclosure. However, a person eighteen years of age or older
5 23 may be employed to work on the gaming floor of an excursion
5 24 gambling boat or gambling structure or in the wagering area or
5 25 on the gaming floor of a racetrack enclosure. A person who
5 26 violates this subsection with respect to making or attempting
5 27 to make a wager commits a scheduled violation under section
5 28 805.8C, subsection 5.

5 29 Sec. 14. Section 99F.10, subsections 1, 2, and 4, Code
5 30 2007, are amended to read as follows:

5 31 1. A qualified sponsoring organization conducting gambling
5 32 games on an excursion gambling boat or gambling structure
5 33 licensed under section 99F.7 shall pay the tax imposed by
5 34 section 99F.11.

5 35 2. An excursion gambling boat or gambling structure
6 1 licensee shall pay to the commission a regulatory fee to be
6 2 charged as provided in this section.

6 3 4. In determining the license fees and state regulatory
6 4 fees to be charged as provided under section 99F.4 and this
6 5 section, the commission shall use as the basis for determining
6 6 the amount of revenue to be raised from the license fees and
6 7 regulatory fees the amount appropriated to the commission plus
6 8 the cost of salaries for no more than two special agents for
6 9 each excursion gambling boat or gambling structure and no more
6 10 than four gaming enforcement officers for each excursion
6 11 gambling boat or gambling structure with a patron capacity of
6 12 less than two thousand persons or no more than five gaming
6 13 enforcement officers for each excursion gambling boat or
6 14 gambling structure with a patron capacity of at least two
6 15 thousand persons, plus any direct and indirect support costs
6 16 for the agents and officers, for the division of criminal
6 17 investigation's excursion gambling boat or gambling structure
6 18 activities.

6 19 Sec. 15. Section 99F.11, subsection 2, Code 2007, is
6 20 amended to read as follows:

6 21 2. The tax rate imposed each fiscal year on any amount of
6 22 adjusted gross receipts over three million dollars shall be as
6 23 follows:

6 24 a. If the licensee is an excursion gambling boat or
6 25 gambling structure, twenty-two percent.

6 26 b. If the licensee is a racetrack enclosure conducting
6 27 gambling games and another licensee that is an excursion
6 28 gambling boat or gambling structure is located in the same
6 29 county, then the following rate, as applicable:

6 30 (1) If the licensee of the racetrack enclosure has not
6 31 been issued a table games license during the fiscal year or if
6 32 the adjusted gross receipts from gambling games of the
6 33 licensee in the prior fiscal year were less than one hundred
6 34 million dollars, twenty-two percent.

6 35 (2) If the licensee of the racetrack enclosure has been
7 1 issued a table games license during the fiscal year or prior
7 2 fiscal year and the adjusted gross receipts from gambling
7 3 games of the licensee in the prior fiscal year were one
7 4 hundred million dollars or more, twenty-two percent on
7 5 adjusted gross receipts received prior to the operational date
7 6 and twenty-four percent on adjusted gross receipts received on

7 7 or after the operational date. For purposes of this
7 8 subparagraph, the operational date is the date the commission
7 9 determines table games became operational at the racetrack
7 10 enclosure.

7 11 c. If the licensee is a racetrack enclosure conducting
7 12 gambling games and no licensee that is an excursion gambling
7 13 boat or gambling structure is located in the same county,
7 14 twenty-four percent.

7 15 Sec. 16. Section 99F.12, subsection 2, Code 2007, is
7 16 amended to read as follows:

7 17 2. The licensee shall furnish to the commission reports
7 18 and information as the commission may require with respect to
7 19 its activities. The gross receipts and adjusted gross
7 20 receipts from gambling shall be separately handled and
7 21 accounted for from all other moneys received from operation of
7 22 an excursion gambling boat or from operation of a racetrack
7 23 enclosure or gambling structure licensed to conduct gambling
7 24 games. The commission may designate a representative to board
7 25 a licensed excursion gambling boat or to enter a racetrack
7 26 enclosure or gambling structure licensed to conduct gambling
7 27 games, who shall have full access to all places within the
7 28 enclosure of the boat, the gambling structure, or the
7 29 racetrack enclosure, who shall directly supervise the handling
7 30 and accounting of all gross receipts and adjusted gross
7 31 receipts from gambling, and who shall supervise and check the
7 32 admissions. The compensation of a representative shall be
7 33 fixed by the commission but shall be paid by the licensee.

7 34 Sec. 17. Section 99F.15, subsection 3, Code 2007, is
7 35 amended to read as follows:

8 1 3. A person wagering or accepting a wager at any location
8 2 outside an excursion gambling boat, gambling structure, or a
8 3 racetrack enclosure is in violation of section 725.7.

8 4 Sec. 18. Section 99F.15, subsection 4, unnumbered
8 5 paragraph 1, Code 2007, is amended to read as follows:

8 6 A person commits a class "D" felony and, in addition, shall
8 7 be barred for life from excursion gambling boats and gambling
8 8 structures under the jurisdiction of the commission, if the
8 9 person does any of the following:

8 10 Sec. 19. Section 99F.15, subsection 4, paragraphs a and b,
8 11 Code 2007, are amended to read as follows:

8 12 a. Offers, promises, or gives anything of value or benefit
8 13 to a person who is connected with an excursion gambling boat
8 14 or gambling structure operator including, but not limited to,
8 15 an officer or employee of a licensee or holder of an
8 16 occupational license pursuant to an agreement or arrangement
8 17 or with the intent that the promise or thing of value or
8 18 benefit will influence the actions of the person to whom the
8 19 offer, promise, or gift was made in order to affect or attempt
8 20 to affect the outcome of a gambling game, or to influence
8 21 official action of a member of the commission.

8 22 b. Solicits or knowingly accepts or receives a promise of
8 23 anything of value or benefit while the person is connected
8 24 with an excursion gambling boat or gambling structure
8 25 including, but not limited to, an officer or employee of a
8 26 licensee, or holder of an occupational license, pursuant to an
8 27 understanding or arrangement or with the intent that the
8 28 promise or thing of value or benefit will influence the
8 29 actions of the person to affect or attempt to affect the
8 30 outcome of a gambling game, or to influence official action of
8 31 a member of the commission.

8 32 Sec. 20. Section 533C.103, subsection 13, Code 2007, is
8 33 amended to read as follows:

8 34 13. Pari-mutuel wagering, racetracks, ~~and~~ excursion
8 35 gambling boats, and gambling structures as provided in
9 1 chapters 99D and 99F.

9 2 EXPLANATION

9 3 This bill authorizes gambling games currently authorized by
9 4 Code chapter 99F on excursion gambling boats, moored barges,
9 5 and certain racetrack enclosures on a land-based gambling
9 6 structure. The bill defines a gambling structure as any
9 7 man-made stationary structure that does not include a
9 8 racetrack enclosure which is subject to land-based building
9 9 codes rather than maritime or Iowa department of natural
9 10 resources inspection laws and regulations on which lawful
9 11 gambling is authorized and licensed as provided in Code
9 12 chapter 99F.

9 13 New Code section 99F.4D provides that unless otherwise
9 14 provided by Code chapter 99F, the provisions governing an
9 15 excursion gambling boat shall also apply to a gambling
9 16 structure. The bill further specifically provides that
9 17 provisions governing the regulatory fees and taxes owed by

9 18 excursion gambling boats apply in the same manner to a
9 19 gambling structure.
9 20 Code section 99F.7, subsection 1, is amended to provide
9 21 that an excursion boat or moored barge shall be permitted on
9 22 or within 1,000 feet of the high water mark of a river, lake,
9 23 or reservoir as established by the racing and gaming
9 24 commission.
9 25 Code section 99F.7, subsection 2, is also amended to
9 26 provide that any new license to conduct gambling games on an
9 27 excursion gambling boat or gambling structure in the same
9 28 county as another licensed boat or structure shall be granted
9 29 only if the new license is located at a similarly situated
9 30 site and operated as a similar facility as any other licensed
9 31 boat or structure in the county.
9 32 LSB 1955XC 82
9 33 ec:rj/gg/14